



Why the BCE (TSX:BCE) Stock Price Fell 5.5% in February

Description

It is an important exercise to periodically review the performance of our stock holdings as well as those stocks that are on our watch lists. This review should happen at least once a year, but also when big stock price movements are noticed.

As one of the most [defensive stocks](#) on the TSX today, **BCE (TSX:BCE)(NYSE:BCE)** has many qualities that should attract investors to its stock. In fact, while the stock fell 5.5% in February, so far in March it has already made this back and is now trading slightly higher than at the end of January. This highlights the attractiveness of BCE stock and its role as an anchor in investor's portfolios. It also highlights the fact that investors can and should take advantage of short-term weakness in BCE stock to establish positions or add to their positions.

So, why was BCE stock down in February?

Coronavirus fears spook the market, sending BCE's stock price down

[Fears about the spread of the coronavirus impacted all stocks](#) across the board in February, as evidenced by the sharp drop in the **S&P/TSX Composite Index**, which was down 6.1%. While in some cases these stock price declines are more substantiated than others, in general, when the market reacts to an event like this, it is usually an opportunity to buy some quality stocks at attractive valuations.

In the case of BCE, any weakness that the stock experiences as a result of macro factors will usually be an opportunity to buy this high-quality, defensive stock for long-term wealth creation.

Quarterly results continue to support the long-term outlook for BCE's stock price

Results out of BCE continue to be strong, with the company increasing its dividend by 5% at the end of its latest quarter (Q4 2019) and remaining committed to annual dividend growth. In the last 10 years, BCE has increased its dividend by more than 117% to the current \$3.33 per share. The latest increase was this 5% increase, and the current dividend yield for BCE stock is currently a generous 5.27%.

Defensive and predictable BCE has been a top holding for predictable wealth creation for decades. BCE stock has risen approximately 500% since the late 1990s in a rise that was as steady as it was spectacular. The company has grown to become Canada's largest telecom services company, with a 100% stake in Bell Media, Canada's largest integrated media company.

Foolish final thoughts

In uncertain and volatile times like today, defensive stocks are becoming increasingly attractive and appropriate for investor portfolios. This will increase demand for stocks like BCE stock, which should ultimately add to the value of the shares.

In closing, I would like to remind Foolish investors of our belief in holding great businesses for the long term. While this belief remains intact, we are also aware that sometimes, short-term stock price movements create opportunities to create wealth. By blending this long-term focus with a keen eye for short-term stock mispricings, we can use both strategies in harmony, and our quest for financial freedom can be fulfilled.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks

- 2. Investing
- 3. Tech Stocks

Tags

- 1. Editor's Choice

Date

2025/08/18

Date Created

2020/03/05

Author

karenjennifer

default watermark

default watermark